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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

Publication 915 Draft

Worksheets

These draft worksheets from Publication 915, Social Security and Equivalent Railroad Retirement Benefits, for tax year 2006, are only available on the Internet. Since they are drafts, they are subject to change. If a worksheet is revised, it will be reposted only if there is a change in the computation. When the final version of Publication 915 becomes available, these drafts will be removed.

Worksheet 1. Worksheet 1 is used by most taxpayers to figure the amount of taxable social security and equivalent railroad retirement benefits.

Worksheet 2. Worksheet 2 is used to figure additional taxable benefits from a lump-sum payment received for a year after 1993. The taxable amount figured on this worksheet is then entered on Worksheet 4.

Worksheet 3. Worksheet 3 is used to figure additional taxable benefits from a lump-sum payment received for a year before 1994. The taxable amount figured on this worksheet is then entered on Worksheet 4.

Worksheet 4. Worksheet 4 is used to figure the amount of taxable benefits under the lump-sum election method.

Comments and suggestions. We welcome your comments about these worksheets.

You can write to us at the following address:

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We respond to many letters by telephone. Therefore, it would be helpful if you would include your daytime phone number, including the area code, in your correspondence.

You can email us at **taxforms@irs.gov*. (The asterisk must be included in the address.) Please put "Publications Comment" on the subject line. Although we cannot respond individually to each email, we do appreciate your feedback and will consider your comments as we revise our tax products.

Worksheet 1. Figuring Your Taxable Benefits

Before you begin:



- If you are married filing separately and you lived apart from your spouse for all of 2006, enter "D" to the right of the word "benefits" on Form 1040, line 20a, or Form 1040A, line 14a.
- Do not use this worksheet if you repaid benefits in 2006 and your total repayments (box 4) were more than your gross benefits for 2006 (box 3). None of your benefits are taxable for 2006. For more information, see *Repayments More Than Gross Benefits*.

1. Enter the total amount from box 5 of ALL your Forms SSA-1099 and RRB-1099. Also enter this amount on Form 1040, line 20a, or Form 1040A, line 14a. **1.** _____
2. Enter one-half of line 1. **2.** _____
3. Enter the total of the amounts from:
Form 1040: Lines 7, 8a, 8b, 9a, 10 through 14, 15b, 16b, 17 through 19, and 21
Form 1040A: Lines 7, 8a, 8b, 9a, 10, 11b, 12b, and 13. **3.** _____
4. **Form 1040 filers:** Enter the total of any exclusions/adjustments for:
 - Qualified U.S. savings bond interest (Form 8815, line 14)
 - Adoption benefits (Form 8839, line 30)
 - Foreign earned income or housing (Form 2555, lines 45 and 50, or Form 2555-EZ, line 18), and
 - Certain income of bona fide residents of American Samoa (Form 4563, line 15) or Puerto Rico**Form 1040A filers:** Enter the total of any exclusions for:
 - Qualified U.S. savings bond interest (Form 8815, line 14)
 - Adoption benefits (Form 8839, line 30) **4.** _____
5. Add lines 2, 3, and 4 **5.** _____
6. **Form 1040 filers:** Enter the amount from Form 1040, line 36, minus any amounts on Form 1040, lines 33 and 35.
Form 1040A filers: Enter the amount from Form 1040A, line 20, minus any amount on Form 1040A, line 18 **6.** _____
7. Is the amount on line 6 less than the amount on line 5?
No. None of your social security benefits are taxable. Enter -0- on Form 1040, line 20b, or Form 1040A, line 14b.
Yes. Subtract line 6 from line 5. **7.** _____
8. If you are:
 - Married filing jointly, enter \$32,000
 - Single, head of household, qualifying widow(er), or married filing separately and you **lived apart** from your spouse for all of 2006, enter \$25,000 **8.** _____**Note.** If you are married filing separately and you lived with your spouse at any time in 2006, skip lines 8 through 15; multiply line 7 by 85% (.85) and enter the result on line 16. Then go to line 17.
9. Is the amount on line 8 less than the amount on line 7?
No. None of your benefits are taxable. Enter -0- on Form 1040, line 20b, or on Form 1040A, line 14b. If you are married filing separately and you **lived apart** from your spouse for all of 2006, be sure you entered "D" to the right of the word "benefits" on Form 1040, line 20a, or on Form 1040A, line 14a.
Yes. Subtract line 8 from line 7. **9.** _____
10. Enter \$12,000 if married filing jointly; \$9,000 if single, head of household, qualifying widow(er), or married filing separately and you **lived apart** from your spouse for all of 2006 **10.** _____
11. Subtract line 10 from line 9. If zero or less, enter -0-. **11.** _____
12. Enter the **smaller** of line 9 or line 10 **12.** _____
13. Enter one-half of line 12 **13.** _____
14. Enter the **smaller** of line 2 or line 13 **14.** _____
15. Multiply line 11 by 85% (.85). If line 11 is zero, enter -0-. **15.** _____
16. Add lines 14 and 15 **16.** _____
17. Multiply line 1 by 85% (.85) **17.** _____
18. **Taxable benefits.** Enter the **smaller** of line 16 or line 17. Also enter this amount on Form 1040, line 20b, or Form 1040A, line 14b **18.** _____



If you received a lump-sum payment in 2006 that was for an earlier year, also complete Worksheet 2 or 3 and Worksheet 4 to see if you can report a lower taxable benefit.



Worksheet 2. **Figure Your Additional Taxable Benefits (From a Lump-Sum Payment for a Year After 1993)**

Enter earlier year _____

1. Enter the total amount from box 5 of ALL your Forms SSA-1099 and RRB-1099 for the earlier year, plus the lump-sum payment for the earlier year received after that year 1. _____
- Note.** If line 1 is zero or less, skip lines 2 through 20 and enter -0- on line 21. Otherwise, go on to line 2.
2. Enter one-half of line 1 2. _____
3. Enter your adjusted gross income for the earlier year 3. _____
4. Enter the total of any exclusions/adjustments you claimed in the earlier year for:
- Adoption benefits (Form 8839)
 - Qualified U.S. savings bond interest (Form 8815)
 - Student loan interest (Form 1040, page 1, or Form 1040A, page 1)
 - Tuition and fees (Form 1040, page 1, or Form 1040A, page 1)
 - Domestic production activities (for 2005 only) (Form 1040, page 1)
 - Foreign earned income or housing (Form 2555 or Form 2555-EZ)
 - Certain income of bona fide residents of American Samoa (Form 4563) or Puerto Rico 4. _____
5. Enter any tax-exempt interest received in the earlier year 5. _____
6. Add lines 2 through 5 6. _____
7. Enter your taxable benefits for the earlier year 7. _____
8. Subtract line 7 from line 6 8. _____
9. If, for the earlier year, you were:
- Married filing jointly, enter \$32,000
 - Single, head of household, qualifying widow(er), married filing separately and you lived apart from your spouse for all of the earlier year, enter \$25,000 9. _____
- Note.** If you were married filing separately and you lived with your spouse at any time during the earlier year, skip lines 9 through 16; multiply line 8 by 85% (.85) and enter the result on line 17. Then go to line 18.
10. Is the amount on line 8 more than the amount on line 9?
- No.** Skip lines 10 through 20 and enter -0- on line 21.
- Yes.** Subtract line 9 from line 8 10. _____
11. Enter \$12,000 if married filing jointly for the earlier year; \$9,000 if single, head of household, qualifying widow(er), or married filing separately and you **lived apart** from your spouse for all of the earlier year 11. _____
12. Subtract line 11 from line 10. If zero or less, enter -0- 12. _____
13. Enter the **smaller** of line 10 or line 11 13. _____
14. Enter one-half of line 13 14. _____
15. Enter the **smaller** of line 2 or line 14 15. _____
16. Multiply line 12 by 85% (.85). If line 12 is zero, enter -0- 16. _____
17. Add lines 15 and 16 17. _____
18. Multiply line 1 by 85% (.85) 18. _____
19. **Refigured taxable benefits.** Enter the **smaller** of line 17 or line 18 19. _____
20. Enter your taxable benefits for the earlier year (or as refigured due to a previous lump-sum payment for the year) 20. _____
21. **Additional taxable benefits.** Subtract line 20 from line 19. Also enter this amount on Worksheet 4, line 19 21. _____



Do not file an amended return for this earlier year. Complete a separate Worksheet 2 or Worksheet 3 for each earlier year for which you received a lump-sum payment in 2006.



Worksheet 3. **Figure Your Additional Taxable Benefits (From a Lump-Sum Payment for a Year Before 1994)**

Enter earlier year _____

1. Enter the total amount from box 5 of ALL your Forms SSA-1099 and RRB-1099 for the earlier year, plus the lump-sum payment for the earlier year received after that year 1. _____
Note. If line 1 is zero or less, skip lines 2 through 13 and enter -0- on line 14. Otherwise, go on to line 2.
2. Enter one-half of line 1 2. _____
3. Enter your adjusted gross income for the earlier year 3. _____
4. Enter the total of any exclusions/adjustments you claimed in the earlier year for:
 - Qualified U.S. savings bond interest (Form 8815) 4. _____
 - Foreign earned income or housing (Form 2555 or Form 2555-EZ) 4. _____
 - Certain income of bona fide residents of American Samoa (Form 4563) or Puerto Rico 4. _____
5. Enter any tax-exempt interest received in the earlier year 5. _____
6. Add lines 2 through 5 6. _____
7. Enter your taxable benefits for the earlier year 7. _____
8. Subtract line 7 from line 6 8. _____
9. Enter \$25,000 (\$32,000 if married filing jointly for the earlier year; \$0 if married filing separately for the earlier year and you lived with your spouse at any time during the earlier year) 9. _____
10. Is the amount on line 8 more than the amount on line 9?
No. Skip lines 10 through 13 and enter -0- on line 14.
Yes. Subtract line 9 from line 8. 10. _____
11. Enter one-half of line 10 11. _____
12. **Refigured taxable benefits.** Enter the **smaller** of line 2 or line 11 12. _____
13. Enter your taxable benefits for the earlier year (or as refigured due to a previous lump-sum payment for the year) 13. _____
14. **Additional taxable benefits.** Subtract line 13 from line 12. Also enter this amount on Worksheet 4, line 19 14. _____



Do not file an amended return for this earlier year. Complete a separate Worksheet 2 or Worksheet 3 for each earlier year for which you received a lump-sum payment in 2006.



Worksheet 4. **Figure Your Taxable Benefits Under the Lump-Sum Election Method**
(Use With Worksheet 2 or 3)

Complete Worksheet 1 and Worksheets 2 and 3 as appropriate before completing this worksheet.

1. Enter the total amount from box 5 of ALL your Forms SSA-1099 and RRB-1099 for 2006, minus the lump-sum payment for years before 2006 1. _____
Note. If line 1 is zero or less, skip lines 2 through 17, enter -0- on line 18 and go to line 19. Otherwise, go on to line 2.
 2. Enter one-half of line 1 2. _____
 3. Enter the amount from Worksheet 1, line 3 3. _____
 4. Enter the amount from Worksheet 1, line 4 4. _____
 5. Add lines 2, 3, and 4 5. _____
 6. Enter the amount from Worksheet 1, line 6 6. _____
 7. Subtract line 6 from line 5 7. _____
 8. Enter the amount from Worksheet 1, line 8. But if you are married filing separately and lived with your spouse at any time during 2006, skip lines 8 through 15; multiply line 7 by 85% (.85) and enter the result on line 16. Then, go to line 17 8. _____
 9. Is the amount on line 7 more than the amount on line 8?
No. Skip lines 9 through 17 and enter -0- on line 18.
Yes. Subtract line 8 from line 7 9. _____
 10. Enter the amount from Worksheet 1, line 10 10. _____
 11. Subtract line 10 from line 9. If zero or less, enter -0- 11. _____
 12. Enter the **smaller** of line 9 or line 10 12. _____
 13. Enter one-half of line 12 13. _____
 14. Enter the **smaller** of line 2 or line 13 14. _____
 15. Multiply line 11 by 85% (.85). If line 11 is zero, enter -0- 15. _____
 16. Add lines 14 and 15 16. _____
 17. Multiply line 1 by 85% (.85) 17. _____
 18. Enter the **smaller** of line 16 or line 17 18. _____
 19. Enter the total of the amounts from Worksheet 2, line 21, and Worksheet 3, line 14, for all earlier years for which the lump-sum payment was received 19. _____
 20. **Taxable benefits under lump-sum election method.** Add lines 18 and 19 20. _____
- Next.** Is line 20 above smaller than Worksheet 1, line 18?
- No.** Do not use this method to figure your taxable benefits. Follow the instructions on Worksheet 1 to report your benefits.
- Yes.** You can elect to report your taxable benefits under this method. **To elect this method:**
1. Enter "LSE" to the left of Form 1040, line 20a, or Form 1040A, line 14a.
 2. If line 20 above is zero, follow the instructions in line 9 for "No" on Worksheet 1. Otherwise:
 - a. Enter the amount from Worksheet 1, line 1 on Form 1040, line 20a, or on Form 1040A, line 14a.
 - b. Enter the amount from line 20 above on Form 1040, line 20b, or on 1040A, line 14b.
 - c. If you are married filing separately and you **lived apart** from your spouse for all of 2006, enter "D" to the right of the word "benefits" on Form 1040, line 20a, or Form 1040A, line 14a.